



Australian Bureau of Statistics

1344.8.55.001 - ACT Stats, 2005

ARCHIVED ISSUE Released at 11:30 AM (CANBERRA TIME) 15/03/2005

Contents >> Innovation in Business - Mar 2005

Information in this article has been taken from **Innovation in Australian Business** (cat. no. 8158.0) and is a result of a survey conducted in 2003, reporting on the calendar years 2001, 2002 and 2003.

WHAT IS INNOVATION

Innovation has been defined as the process of introducing new or significantly improved goods or devices and/or implementing new or significantly improved processes:

- A new good or service means any good or service or combination of these which is new to a business. Its characteristics or intended uses differ significantly from those previously used
- A new operational process is a significant change for a business in its methods of producing or delivering goods or services
- A new organisational/managerial process is a significant change to the strategies, structures or routines of the business which aim to improve performance.

Between 2001 and 2003, of the 2,338 businesses surveyed in the ACT, 680 or 29% of businesses were recorded as innovating. This was comparable to the Northern Territory (28%) and Tasmania (27%). The most popular type of innovation in business in the ACT was new or significantly improved operational processes (22% of innovating businesses). The ACT's figures were comparable to most other states and territories, with South Australia being the only state significantly higher (30%).

DRIVERS OF INNOVATION

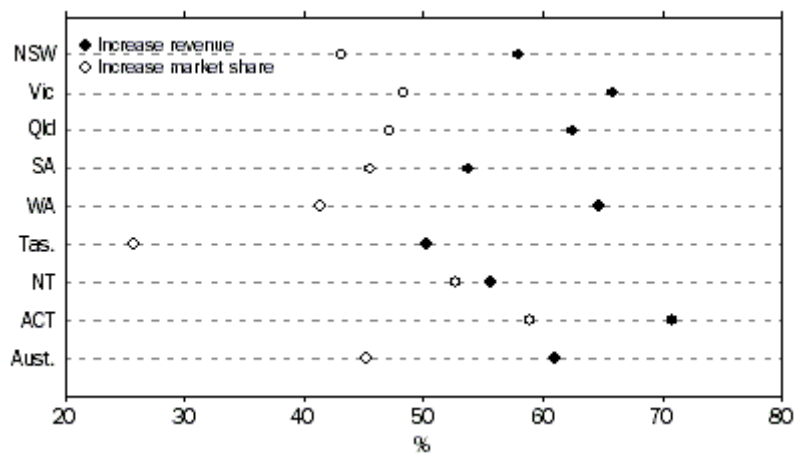
Drivers relating to innovation were split into those relating to new goods and services and those relating to new processes. Drivers were then split into three categories market related, profit related and legal related. Businesses were able to identify more than one driver.

Drivers relating to new goods and services

The highest recorded driver relating to new goods and services in the ACT was under the profit related category, an increase in revenue being the recorded driver behind change for 71% of innovative businesses. This was the highest proportion recorded of all states and territories and was comparable to the Victorian proportion of 66%. Nationally the proportion was 61%.

Under the market category, an increase in market share was the highest reported driver for innovative ACT businesses (59%), and the second highest driver for new goods and processes in the ACT. The ACT recorded the highest proportion in this category, comparable with the Northern Territory (53%), and above the national figure of 45%.

Drivers relating to new goods and services, 2001-2003



Increased responsiveness to customer needs was the second highest reported driver in the market related category and the third highest overall. The ACT proportion of 55% was comparable with most other states and territories, and the national figure of 48%.

Drivers relating to new processes

The most reported driver for new processes for innovative ACT businesses was improving productivity (73%), under the profit related category. This was comparable to the figure recorded by Queensland (75%), and above the next highest state or territory Western Australia at 62%. Nationally, 58% of innovative businesses recorded this as a driver.

Reducing costs was the second highest recorded driver relating to new processes under the profit related category and overall in the ACT. This was reported by almost three quarters (72%) of ACT innovating businesses. The only state or territory to record a higher figure was Tasmania at 78%. The ACT was above national proportion of 58%.

Fifty-nine percent of innovative ACT businesses reported increased responsiveness to customer needs as the highest driver under the market related category and the third highest reported driver overall relating to new processes. This was comparable to Tasmania (67%) and Queensland (57%), and was above all other state and territories. The ACT was above the national proportion of 47%.

SOURCES OF IDEAS AND INFORMATION

Innovating businesses were asked to identify key sources of ideas or information, and which methods were used to acquire knowledge or abilities. Businesses could select more than one source or method.

More innovative businesses in the ACT sourced ideas or information from consultants (49%) than any other state or territory. Victoria was the second highest state with this source recording 37%, while nationally the figure was 32%.

Ideas from within individual businesses was the highest reported source of ideas or information for innovative ACT businesses (80%). This was comparable with all other states and territories except Tasmania and Northern Territory (90% and 91% respectively). Nationally the figure was the same as the ACT.

Clients or customers was the second highest reported source of ideas or information for innovative ACT businesses at 66%. This was comparable with all other states and territories and the national average of 65%.

This page last updated 11 July 2006

© Commonwealth of Australia

All data and other material produced by the Australian Bureau of Statistics (ABS) constitutes Commonwealth copyright administered by the ABS. The ABS reserves the right to set out the terms and conditions for the use of such material. Unless otherwise noted, all material on this website – except the ABS logo, the Commonwealth Coat of Arms, and any material protected by a trade mark – is licensed under a Creative Commons Attribution 2.5 Australia licence